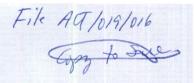


Crater Exploration, Inc.

1624 South Pioneer Road Salt Lake City, Utah 84104 (801) 972-0660

18207 East McDurmott, Unit K Irvine, California 92714 (714) 863-1666



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DIVISION OF QIL

October 22, 1984

State of Utah P. O. G. M. 4241 State Office Bldg. Salt Lake City, Utah 84114

ATTENTION: Susan Linner

RE: ACT/019/016 Taylor Placer NON COAL

Dear Ms. Linner:

I have been away from my desk for a considerable amount of time and therefore have not been able to keep in communication with you as I otherwise might have been able to and I hope you will forgive me for it.

The main reason for my absence has been the investigation of other properties in the Western United States. We suspended our operation at the above captioned project several months ago because we were not able to produce the desired results at that mine. We will, therefore, pull out of that area in the near future. We have started grading operations for reclamation of the distrubed areas according to the wishes of the property owner and after the final removal of our plant and other machinery we will invite you to inspect the work for your approval.

We are disappointed that we could not run as successfully in that area as we had hoped and we will continue our investigations in search for an appropriate mine site.

I appreciate your cooperation in these matters.

Wilford W. Ruf

Sincerely

Properties Manager

WWR:kli